

21 May 1962

MEMORANDUM FOR THE RECORD

SUBJECT: Application of ADP to Budget Requirements

On 16 May Richard Pease, IBM representative, and I met in the office of [redacted] Budget Officer, to acquaint [redacted] of some basic ADP procedures being used in budget preparation. [redacted] was unable to attend the meeting, but he designated Messrs. [redacted] to participate in the discussion.

Mr. Pease described the use made of RAM procedures by Godard Space Flight Center and the Justice Department to prepare budget estimates for submission to Congress. In the case of Godard, the emphasis is on their budgets for research and development and in the Justice Department on personal services requirements. In both of the procedures described, the source data contained in budget estimate work sheets prepared in detail at the branch level are punched in IBM cards and verified. These cards are then used to automatically assemble and correlate the data and to print the accumulative estimates for each branch and each higher echelon up to the Office of the Director. After these preliminary estimates are reviewed, the punched card file is up-dated to reflect any changes made as the result of the review. The up-dated cards are then used to automatically print the final estimates in such detail as is needed for internal use. Totals needed for congressional review are selected from the final estimates and manually typed on congressional estimate sheets. The manual typing job is necessitated by a congressional requirement for the use of a certain typewriter type font; presumably to provide uniformity in reproduction of estimate sheets for committee review.

[redacted] agreed that a substantial saving in clerical and typing time in the operating components and the Budget Office would be realized through the use of the procedures described. [redacted] felt, however, that similar procedures in the Agency would require DD/I and DD/S components to present their estimates in too great detail. On the other hand, [redacted] said that DD/P area divisions were now preparing work sheets for each project in as much detail as Godard. In discussion of these points, it was brought out that procedures could be developed which would require estimates in detail only from those components where such detail would be required by management.

[redacted] stated that the Budget Office had requested ADPD for several years to produce a report which would show the actual FY cost of each T/O position, but that ADPD had replied it could not be done

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under present procedures. [REDACTED] explained that ADPD could not prepare this report now because T/O position numbers were not carried in the payroll records and that a solution to this problem would be found during the forthcoming ADP Staff review of all computer procedures.

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[REDACTED] then explained an "Eyes Only" report prepared semi-annually on certain DD/P programs and projects. The report requires that basic data contained in Project cost records be analyzed in various ways and presented in report form. To make the analysis manually now requires several man years and, therefore, it is only made twice a year. It would be advantageous to up-date and prepare this report on a monthly basis. [REDACTED] was informed that

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if the basic data were translated into machine language the "Eyes Only" report could be prepared. It was further suggested that the test run be made after the 1401 had been installed in ADPD.

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During our meeting, [REDACTED] came in for a few minutes to check on the progress of our discussions. He was informed that it was the consensus that ADP methods could be advantageously applied but that it would be necessary, first, for his office to draw up specifications of the end results desired so that effective ADP procedures could be developed by the ADP Staff. It was also explained to [REDACTED] that since the budget operations were so closely related to and dependent upon financial accounting reports that the budget requirements would be included in our study and redesign of the present accounting procedures; this study would be underway after 1 June 1962.

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